Year-end tax planning insights for individuals

- These days the office no longer exists only at work. Many of us now work from home and there are an array of deductions that may be available to employees that also work from home. Remember to keep receipts for items that have work related use components, such as internet usage, mobile phone and laptops. The ATO also lets you claim based on a fixed rate of 45cents per hour for heating, cooling, lighting and the decline in value of furniture in your home office.

- The ATO has issued many guides on things that can be claimed for various occupations. For example teachers, police officers, travel agents, nurses, hairdressers and flight attendants. Be sure to search the ATO website for the guide that covers your occupation.

- Frequently travelling to visit clients for work in your own car? Consider keeping a logbook for your motor vehicle usage. The logbook needs to be kept for 12 weeks and should be indicative of your general travel for the year. The logbook last for 5 years, but the important aspect is that it allows you to claim a percentage of your motor vehicle expenses (including depreciation on the purchase price). The percentage claimable is based on the amount you use your vehicle for work related purposes, so the more you use your vehicle for work, the more you can claim!

- If you are travelling overnight for work, you may be entitled to claim meal, accommodation and incidentals for costs such as going to a work conference.

- Thinking of purchasing an investment such as shares or an investment property? Talk to your accountant about how to structure the investment to help you maximise asset protection and legally minimise tax payable. There are many options and structures available here so seeking specialist advice is a must.

- And if you already have investment, consider whether the assets are held in the lowest income earner's name to minimise tax payable on investment income.

- Have you sold any shares or investments? If you have generated a capital gain, are there any others that you are considering selling that might incur a capital loss? If so, it could be worthwhile selling those also before 30th June so that you can use the capital losses to offset your capital gains.

- If you are negatively gearing a property, consider a PAYG withholding variation. The amount of tax your employer withholds from your salary is set by the ATO, but if you prepare a PAYG withholding variation, the amount of tax withheld from your wage can be reduced to reflect your level of income. This is particularly beneficial to clients that have a negatively geared property as it allows them to receive more of their income throughout the year, rather than a large lump sum at the end of the year. Many taxpayers prefer this approach as it gives them access to their money now, rather than waiting for their tax returns to be lodged.

- If you are saving towards a new house, the Federal Government has recently announced their First Home Super Saver Scheme. This allows employees to salary sacrifice up to $30,000 (but no more than $15,000 per year) of their income into superannuation. The benefit of this is that super contributions are only taxed at 15% whereas if you earn more than $18,200 per year, you are likely being taxed at 19% or higher. There are also concessions available when the money is released to make the proposition more attractive. Please note that this measure has not yet been passed by parliament so be sure to check the finer details before proceeding.

- Feeling generous? Deductions made to Deductible Gift Recipients can be used to reduce your taxable income.

- If you are earning more than $90,000 as an individual or $180,000 as a family, you may be charged the Medicare Levy Surcharge. One way to avoid this is to obtain an appropriate Private Health Insurance policy to exempt you from the Medicare Levy Surcharge.

From 1 July 2017, the amount of concessional contributions that can be contributed to super will be limited to $25,000 for all individuals, regardless of age. However, prior to 1 July 2017, the concessional contributions cap is $30,000 per person per year for those less than 49 years of age and $35,000 for members aged 49 and over. To avoid additional tax and administrative fees, be mindful of the change in the contribution levels.